



INTERNATIONAL TRADE COMMISSION

[Investigation No. 1205-11]

Recommended Modifications in the Harmonized Tariff Schedule to Conform with Amendments to the Harmonized System Recommended by the World Customs Organization, and to Address Other Matters

AGENCY: United States International Trade Commission.

ACTION: Notice of institution of investigation.

SUMMARY: The Commission has instituted investigation No. 1205-11, *Recommended Modifications in the Harmonized Tariff Schedule to Conform with Amendments to the Harmonized System Recommended by the World Customs Organization, and to Address Other Matters*, pursuant to section 1205 of the Omnibus Trade and Competitiveness Act of 1988 (the 1988 Act) (19 U.S.C. 3005), in order to recommend to the President modifications in the Harmonized Tariff Schedule of the United States (HTS).

The recommended modifications concern (1) the World Customs Organization's (WCO) Recommendation of June 27, 2014 that Contracting Parties to the International Convention on the Harmonized Commodity Description and Coding System (Convention) modify their tariff schedules to conform with amendments to the Harmonized System expected to enter into force on January 1, 2017; and (2) whether one of the two HTS subheadings that apply to taro (also known as dasheens) should be deleted, and whether the HTS nomenclature for corned beef should be provided for under a superior subheading for cured meat of bovine animals.

DATES: August 20, 2014: Posting of the WCO's Recommendation of June 27, 2014, on the Commission website.

December 2014 (actual date to be announced later): Posting of the Commission's proposed

recommendations on the Commission's website.

February 2015 (actual date to be announced later): Deadline for interested Federal agencies and the public to file written views on the Commission's proposed recommendations.

July 2015 (actual date to be announced later): Transmittal of the Commission's report to the President.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT: Daniel P. Shepherdson, Attorney-Advisor, Office of Tariff Affairs and Trade Agreements (202-205-2598, or Daniel.Shepherdson@usitc.gov) or John Kitzmiller, Nomenclature Analyst, Office of Tariff Affairs and Trade Agreements (202-205-3387, or John.Kitzmiller@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819, or Margaret.OLaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information about the Commission may be obtained by accessing the Commission website at www.usitc.gov. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

SUPPLEMENTARY INFORMATION:

BACKGROUND: Section 1205(a) of the 1988 Act requires that the Commission keep the Harmonized Tariff Schedule of the United States (Harmonized Tariff Schedule or HTS) under continuous review and periodically recommend to the President such modifications in the HTS

as the Commission considers necessary or appropriate, including to conform the HTS with amendments made to the International Convention on the Harmonized Commodity Description and Coding System (Convention), which contains the Harmonized System nomenclature in the Annex to the Convention.

The Harmonized System nomenclature provides uniform product architecture for the customs tariffs and statistical nomenclatures of all major trading countries of the world, including the United States. The Harmonized System establishes the general arrangement or structure of product categories, set forth in chapters, 4-digit headings and 6-digit subheadings. It also includes the general rules of interpretation, and section and chapter legal notes that define the scope of sections, chapters, 4-digit headings and 6-digit subheadings. The Harmonized Tariff Schedule is based on the Harmonized System nomenclature. In addition, however, the HTS includes national subdivisions (8-digit subheadings and 10-digit statistical annotations), as well as additional U.S. chapter notes, and other national provisions that facilitate the administration of U.S. customs, tariff and statistical programs.

On June 27, 2014, the WCO adopted recommended amendments to the Harmonized System nomenclature that are scheduled to enter into force on January 1, 2017. The amendments are the fifth in a series of such amendments and are part of the WCO's ongoing program of periodically reviewing and updating the Harmonized System nomenclature. The Commission has posted a copy of the WCO amendments on its website at www.usitc.gov. The Commission will recommend to the President such modifications in the HTS as it considers necessary or appropriate to conform the HTS with such amendments.

The Commission will also consider two additional possible modifications in the HTS identified by U.S. Customs and Border Protection as part of this investigation. The first relates to the HTS nomenclature for taro (also known as dasheens). In the HTS, fresh or chilled taro is provided for in HTS subheading 0714.40.10, while fresh or chilled dasheens are provided for in HTS subheading 0714.90.10. As part of this investigation, the Commission intends to consider

whether it is necessary or appropriate to recommend to the President that one of the two subheadings be deleted from the HTS. The second additional possible modification relates to the HTS nomenclature for corned beef, which is provided for in HTS subheading 1602.50.10. The superior subheading to subheading 1602.50.10 provides for certain meat of bovine animals that is not cured. However, corned beef is a cured meat product. As part of this investigation, the Commission intends to consider whether it is necessary or appropriate to recommend to the President that the HTS be modified to provide for corned beef under a superior subheading for cured meat of bovine animals.

An up-to-date copy of the HTS, which incorporates the Harmonized System in its overall structure, can be found on the Commission website at www.usitc.gov. Hard copies and electronic copies on CD can be found at many of the 1,400 Federal Depository Libraries located throughout the United States and its territories; further information about these locations can be found at www.gpoaccess.gov or by contacting GPO Access by telephone at (866) 512-1800.

PROPOSED RECOMMENDATIONS, OPPORTUNITY TO COMMENT: In preparing its recommended modifications, the Commission will first prepare proposed recommendations and provide opportunity to interested Federal agencies and the public to present their views in writing on those proposed recommendations. The Commission expects to publish the proposed recommendations on its website in December 2014, and will publish a notice in the *Federal Register* at that time providing notice of their availability and the procedures for filing written views, including the date by which such written views must be filed. To assist the public in understanding the proposed changes and in developing comments, the Commission will include, with the proposed recommendations and in its report to the President, a non-authoritative cross-reference table linking the proposed tariff codes to the corresponding current tariff codes. Persons using the successive versions of this table should be aware that the cross-references shown are subject to change during the course of the investigation.

RECOMMENDATIONS TO THE PRESIDENT: The Commission will submit its recommended modifications to the President in the form of a report that will include a summary of the information on which the recommendations were based, together with a statement of the probable economic effect of each recommended change on any industry in the United States. The report also will include a copy of all written views submitted by interested Federal agencies and a copy or summary, prepared by the Commission, of the views of all other interested parties. The Commission expects to submit that report in July 2015.

By order of the Commission

Lisa R. Barton

Secretary to the Commission

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